

The President's Daily Brief

~~Top Secret~~ 2 January 1969

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THE PRESIDENT'S
DAILY BRIEF
2 JANUARY 1969

1. Middle East

The atmosphere remains charged. Israel and Lebanon are trading accusations of further incidents, including the shelling by Arab terrorists of two Israeli villages and an Israeli over-flight of southern Lebanon. The over-flight apparently prompted an emergency session of the Lebanese cabinet to consider its response to an Israeli invasion.

The Lebanese Government's days may be numbered. Newspapers are cudgeling it for failing to resist the Beirut airfield attack, and there are loud calls for Prime Minister Yafi's resignation.

An anti-Israeli demonstration scheduled for Beirut this morning could turn into an antigovernment riot. Public demonstrations have been banned, but we do not think that the army, which is ashamed of its lack of anti-Israeli punch, would stop this one if it gets started.

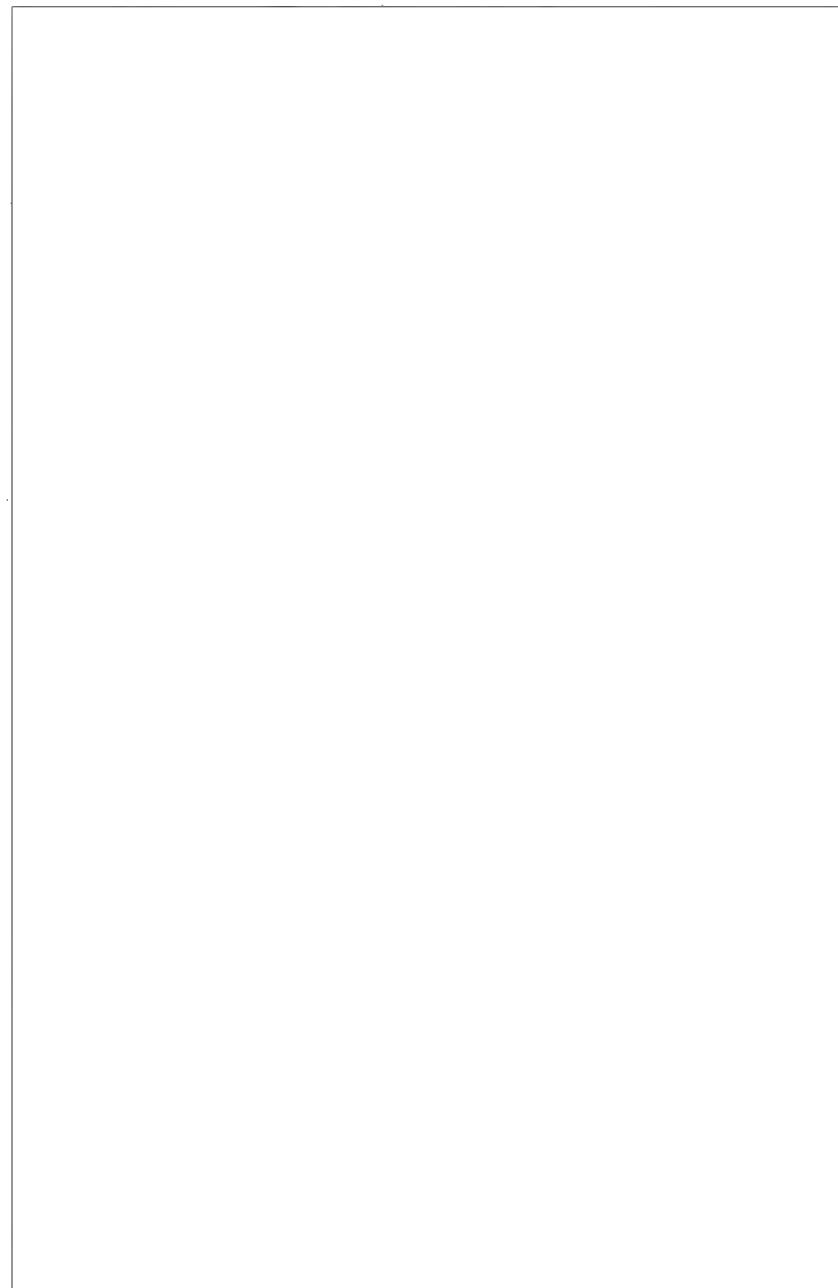
The Soviets have offered immediate military and economic assistance to Lebanon, and Egypt's Nasir has urged President Hilu to accept. Hoping to forestall strong domestic pressures for such a deal and to keep Lebanon oriented toward the West, Hilu has asked the US ambassador for military aid.

On the Israel-Jordan frontier, there have also been more incidents. Both sides are claiming increased attacks on settlements in the border area, and skirmishing appears to be more or less continuous since 31 December. As a result, the US might expect a call for arms aid from Jordan too.

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2. South Vietnam

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3. Vietnam

During December the rate of infiltration into South Vietnam from the North was the second highest ever noted.

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4. Cuba

Castro today marks the tenth anniversary of his rise to power. There will be a "biggest ever" rally in Revolutionary Square, on the scale of a million persons. Castro himself plans a major address but has given no hint of its contents.

5. Communist China

We believe China has produced its first jet medium bomber.

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The TU-16 will probably be the mainstay of the Chinese bomber force in the future. It will be several years, however, before significant numbers can be produced and deployed to operational units.

6. Indonesia

The economy is looking up, reflecting general progress toward stability. For the first time in memory, basic commodity prices fell during the Muslim holidays in December.

While inflation over the past year has averaged about two percent a month, this is a far cry from the runaway situation of 1967. The success of the government's five-year economic development plan, to begin in April, will largely hinge on continued progress in price stabilization.

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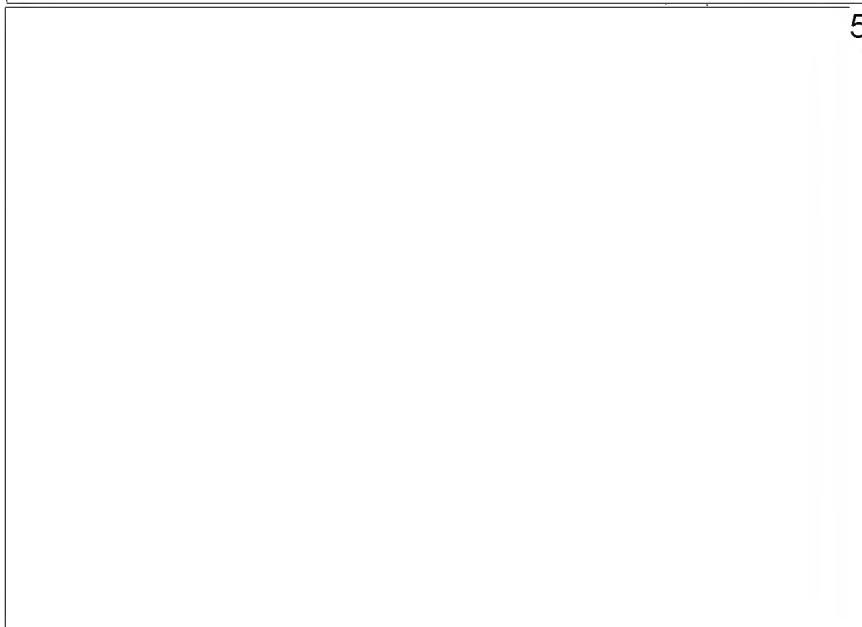
7. Yugoslavia -
Soviet Union

Belgrade and Moscow are making efforts to maintain good economic relations despite their political squabbles. They have just agreed to an increase in trade of almost 30 percent for 1969 over the planned level of 1968. This will probably prove optimistic, given the reluctance of Yugoslav importers to take on Soviet goods of poor quality and high price.

8. Kuwait



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FOR THE PRESIDENT'S EYES ONLY

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- 2.) North Vietnamese Reflections of US Political Attitudes

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**Special Daily Report on North Vietnam
for the President's Eyes Only**

2 January 1969

I. NOTES ON THE SITUATION

Ho Chi Minh's New Year Message: Short, but with a few words for nearly everyone concerned, including the "progressive people of the United States," Ho's New Year message was dedicated to war. It included cordial best wishes of "solidarity, struggle and success to our compatriots, fighters, and cadres...in both North and South Vietnam." If anyone was omitted, it was Hanoi's negotiators in Paris, who apparently could be lumped under the category of "our fellow countrymen living abroad." In fact, not a word was devoted to the Paris talks. Instead, Ho dedicated last year's "glorious victories" to still bigger ones this spring. He exhorted all to "fight so the Yanks quit and the puppets topple," and held out the prospect of achieving a "north and south reunited."

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North Vietnamese Balancing Act Between Moscow and Peking: On 21 December, Hanoi's daily paper, Nhan Dan carried side by side the contradictory Soviet and Red Chinese messages of congratulations to the Liberation Front on its eighth anniversary. Moscow offered "sympathy and support for...a political solution...in line with the principles of the 1954 Geneva Agreements." Peking stressed that final victory would be won "by persisting in the people's war." The paper's editorial quoted from both messages without favoring either one.

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More [redacted] Observations from Hanoi: [redacted]

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[redacted] over 100,000 youngsters were in the capital in early December in defiance of the evacuation regulations. Some of these children living in the city

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bicycle up to 25 kilometers outside Hanoi for primary education. The high school and college students are less fortunate. Their classrooms are much further away, and if they wish to continue their education, they must remain in the countryside.

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Foxhole shelter liners were still being manufactured in Hanoi in large numbers, up to 1,000 on one street alone. Local "security forces" engaged in a civil defense exercise featuring street fighting along three of the main streets of the capital. This was the first exercise of its kind [redacted]

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[redacted] noted in the past two months. Air raid alerts were infrequent and antiaircraft fire was light. [redacted] at a loss to explain the apparent random firing of surface-to-air missiles during the day, at a rate of perhaps a dozen a week, when no alert had been sounded. [redacted]

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[redacted] these could be shots at high-level reconnaissance planes, testing of weapons or crews, or the deliberate using up of old-style missiles so that the newer type supplied by the Soviets might be brought into use.

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There appears to have been a vast southward movement of gasoline carriers, storage tanks on trailers, and underground storage tanks during the daylight hours. A significant increase in the amount of timber transiting the city in a southerly direction was also noted. [redacted] there was practically no road transport in Hanoi after dark.

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Moscow to Hanoi Air Service: The Soviet Union has begun laying the groundwork for a commercial airline route to Hanoi which will skirt China.

The Soviets have never had a commercial air route to Hanoi. Until this year they sent an occasional unscheduled military flight via China.

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During the past few months, it has become increasingly clear that North Vietnam is bent on enlarging international air passenger service to Hanoi. Air traffic between Hanoi and Peking has recently been expanded from two flights per week to three, with the usual stopover at Canton. Beginning the first of this year, civil air traffic between Phnom Penh and Hanoi is to be renewed by Royal Air Cambodge after a three-year lapse.

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II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL ATTITUDES ON THE WAR

There is nothing of significance to report today.

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